

**City of Reading City Council
Regular Business Meeting
Monday, March 14, 2011**

Vaughn D. Spencer, President of Council, called the meeting to order.

The invocation was given by Pastor Tony Perez from the Bethany Baptist Church.

All present pledged to the flag.

ATTENDANCE

Council President Spencer
Councilor Acosta, District 1
Councilor Goodman-Hinnershitz, District 2
Councilor Marmarou, District 4
Councilor Reed, District 5
Councilor Waltman, District 6
Mayor T. McMahon
Managing Director C. Geffken
Mayor's Assistant F. Denbowski
City Auditor D. Cituk
City Clerk L. Kelleher
City Solicitor C. Younger
IT Manager H. Tangredi
Sergeant at Arms Captain R. Schafer

PROCLAMATIONS AND PRESENTATIONS

City Council issued the following commendations:

- Council Commendation recognizing the 40th anniversary of Larry's V & S Sandwich Shop, accepted by owner Larry Spayd

PUBLIC COMMENT

Council President Spencer announced that two (2) citizens were registered to address Council on non-agenda topics. He inquired if any member of Council objected to suspending the rule requiring non-agenda comment at the end of the meeting. As no one objected the rule requiring non-agenda comment at the end of the meeting was suspended. Council President Spencer reminded those registered to speak of the remaining public speaking rules.

Patricia Mierzejewski, of Perry Street, described her dissatisfaction with combination of the City's property tax increase and the issuance of City and County property taxes on the same bill, which eliminates a citizen's ability to make partial payments. She expressed the belief that the City's high tax rate is taxing people out of the City. She also noted that most citizens on fixed incomes do not have the ability to make large lump sum payments. She noted that other municipalities throughout Berks County only pay 1% EIT; however Reading's rate is approximately four (4) times greater than that.

Ernie Schlegel, of Pear Street, noted his constitutional right to freedom of speech. He expressed the belief that the press conference conducted by the Council President was inappropriate. Councilor Reed called for a point of order, noting that Mr. Schlegel is addressing individual Council members.

After consulting with the Solicitor, Council President Spencer agreed and reminded Mr. Schlegel not to single out individuals.

Mr. Schlegel noted that the Charter Board opinion expressed that the responsibility for calling executive sessions does not fall solely on the Solicitor. He noted a citizen's ability to support candidates and to avail themselves of options offered by the Charter. He expressed the belief that the article and the press conference were based on retaliation.

APPROVAL OF THE AGENDA & MINUTES

Council President Spencer called Council's attention to the agenda for this meeting, including the legislation listed under the Consent Agenda heading and the minutes from the February 28th Regular Meeting of Council. Council President Spencer noted the need to add one (1) ordinance for introduction regarding the Access Agreement and Memorandum of Understanding, which will remediate Bernhart's Park.

Councilor Reed moved, seconded by Councilor Marmarou, to approve the agenda, as amended with legislation listed under the Consent Agenda heading and minutes from the February 28th regular meetings of Council.

Consent Agenda Legislation

Resolution 46–2011 authorizing the disposition of payroll records as attached (**Human Resources**)

ADMINISTRATIVE REPORT

Mayor McMahon read the report distributed to Council at the meeting covering the following:

- Release of the updated Economic Resource profile for Reading
- Reminder of the availability of One-Stop-Shop meetings for those who are opening businesses or undertaking building projects
- Work of PLCM to develop legislative changes to pension, boundary and collective bargaining agreement legislation

Councilor Acosta stated that he is pleased to learn of the Mayor and Council President's work to address the PILOT contributions. He suggested including District Councilors when District businesses are approached.

Councilor Marmarou inquired about the effect the pension changes will have on those currently receiving pensions. Mayor McMahon replied that those currently on pension or those currently employed will have no affect due to constitutional protection.

Councilor Goodman-Hinnershitz noted that the City's legacy costs cannot be easily controlled.

IT REPORT

Henry Tangredi, IT Manager, provided a brief update on the IT Division noting that IT serves the technical needs of all City departments with nine (9) employees. He stated that the IT Division started technical training in 2010.

Council President Spencer noted that Council receives regular updates from the IT Division at monthly Finance meetings.

AUDITOR'S REPORT

City Auditor Cituk read the report distributed to Council at the meeting covering the following:

- PILOT collection 2006-2010
- RAWA Pension Update

ORDINANCES FOR FINAL PASSAGE

Bill No. 3-2011 - ordering an investigation under the authority of the Home Rule Charter Section 210, regarding the use of sewer funds (**Council Members**)

Councilor Waltman moved, seconded by Councilor Acosta, to enact Bill No. 3-2011.

Councilor Waltman expressed the belief that there are a million reasons to undertake this

investigation. He noted that the Mayor apologized for this infraction during the Committee of the Whole meeting held just prior to the start of the regular business meeting. He also expressed appreciation with the Mayor's willingness to take ownership. He inquired that apologizing and taking ownership is not enough, that expressed the belief that the new policy on transfers provides protection. He also noted that the Mayor stated in the Committee of the Whole meeting that the issue should have been handled differently.

Councilor Marmarou noted the need for public transparency about this issue.

Councilor Reed noted that many other City malfunctions have been let go over many years, such as the bad CD issued loans in 1980s and 1990s. However, she stated that as she supports full disclosure she will support the enactment of this ordinance.

Councilor Acosta agreed with Councilor Reed that the Administration did not act maliciously; however, the Administration should have taken opportunity to clarify this issue for City Council and the public. He also noted the need to hold those responsible, accountable for their actions.

Councilor Goodman-Hinnershitz expressed the belief that the existence of required monthly finance statements would have provided disclosure and prevention. She expressed the belief in the need for clear documentation on this transaction for historical purposes. She expressed the belief that new systems and procedures will provide good control and prevent similar from happening again.

Mayor McMahon explained that the borrowed funds were used to pay Police and Fire salaries. He stated that bad judgment was used and he takes full responsibility. He also agreed that the new systems will provide proper prevention.

Council President Spencer noted that the ordinance lists questions that were answered through a confidential memorandum drafted by the Managing Director followed by a conversation with the Mayor. He noted that he transfers were revealed during each external audit; however the transactions go under the radar as they were paid back at the end of the calendar year. He expressed the belief that various safeguards are created with the new financial policies which will be enacted within the next few weeks. He stated that Council's inquiry was satisfied.

Mr. Waltman agreed with the various comments made and thanked the Mayor for accepting responsibility.

Councilor Goodman-Hinnershitz again requested a copy of documentation regarding this issue. Councilor Reed agreed with the need to provide future Councilors with information to

review.

City Clerk Kelleher suggested having the Managing Director redact confidential information from his responses memo and then file that document in the vault for future use.

Councilor Acosta called for the question.

Bill No. 3-2011 was enacted by the following vote:

Yeas: Acosta, Goodman-Hinnershitz, Marmarou, Reed, Sterner – 4

Nays: Waltman, Spencer, President – 2.

INTRODUCTION OF NEW ORDINANCES

Council President Spencer read the following ordinance into the record:

Ordinance - amending the City of Reading Codified Ordinances Chapter 1 Administration & Government, Part 11 Initiative and Referendum Section 1-1105 Form and Content in accordance with the Order from the Charter Board dated February 2011 (**Council Staff/Law**)

Ordinance – authorizing the execution of the Access Agreement and Memorandum of Understanding regarding the remediation of Bernhart’s Park by Exide. (Council Staff/Law).

RESOLUTIONS

Resolution 40–2011 reappointing Susan Gibson to the Charter Board (**Admin Oversight**)
Tabled at the Feb 14 regular meeting

Resolution 47–2011 appointing John Short to the Legislative Aide Committee (Admin Oversight)

Resolution 48–2011 appointing Vera Ellison to the Citizens Advisory Board (Admin Oversight)

Councilor Reed moved, seconded by Councilor Acosta, to adopt Resolution No. 40-2011, 47-2011, and 48-2011.

Councilor Marmarou noted the talent and knowledge of the individuals being appointed and reappointed this evening.

Councilor Reed apologized for the deviation from the normal procedures with the

reappointment of Ms. Gibson. She expressed her belief of the skill and knowledge Ms. Gibson brings to the Charter Board and noted that type of skill and commitment of Ms. Gibson cannot be overlooked. She stated she alone pushed the issue forward.

Councilor Acosta noted the ability and preparation of Ms. Ellison and her excitement and willingness to be involved on the Citizen's Advisory Board.

Resolution No. 40-2011, 47-2011, 48-2011 was adopted by the following vote:

**Yeas: Acosta, Goodman-Hinnershitz, Marmarou, Reed, Waltman, Spencer,
President – 6**

Nays: None– 0.

COUNCIL COMMENT

Councilor Marmarou noted the "Meet the Candidates" night held by the College Heights community council on Sunday, March 13th. He stated that approximately 70 northeast residents attended this session. He encouraged all to vote in the Special Election tomorrow.

Councilor Reed noted the upcoming neighborhood meeting regarding the proposal to honor the late Senator Mike O'Pake by renaming a facility within Glenside Development in his honor. She described the meeting she attended with the Reading Housing Authority to discuss the various options. She asked City Council to allow this community meeting to occur before voting on the initiative presented.

Councilor Goodman-Hinnershitz thanked the Reading Police for their handling of the quality of life issue regarding use of all-terrain vehicles on City streets. She also provided a brief update on the progress with the Olivet's regarding the future of Pendra Park.

Councilor Goodman-Hinnershitz agreed with the concern expressed regarding lump sum tax payments versus payment plans. She noted the need to open dialogue on this issue with the County Treasurer.

Councilor Goodman-Hinnershitz expressed sympathy for those residing in Japan as they experienced a horrific tragedy.

Council President Spencer described the discussions with the County Treasurer prior to approving the move of the City property tax billing and collection to the County. He noted that the past success of the collection efforts undertaken by Portnoff. He stated that the Act 47 Recovery Plan suggest that the City find a third party to forward property tax billing and collection, to allow a decrease in City personnel and reduce expenses. He noted that the

County Treasurer expressed the belief that the City owed the County \$500K per year for lost collection fee revenue. He stated that many misunderstood that the residents would not be able to make partial payments on City or County property taxes individually, but not that the City and County property tax bills had to be jointly paid.

Council President Spencer noted that the Charter Board complaint regarding executive session contains two (2) issues. He stated that the executive session in July was based on a zoning matter regarding a zoning permit extension to NewCo who purchased the property from Berkshire Bottling. He stated that in classes for municipal officials, he was advised to adhere to the advice of the Solicitor regarding Executive Sessions, which he did on this evening.

Council President Spencer stated that the recent article in the Reading Eagle announced that he was a candidate for Mayor. He stated the disclosure of this fact required a counter regarding Mr. Schlegel's participation in another Mayoral candidate campaign.

Managing Director Geffken explained the efficiency and cost-savings provided by the County Treasurer's billing and collection.

Mayor McMahon encouraged all citizens to vote in the Special Election scheduled for March 15th.

Mayor McMahon expressed the belief that the students from 16th and Haak, who he brought to the neighborhood meeting about the future of Pendora Park, proved the need to expand the recreation opportunity proposed by Olivet's.

Mayor McMahon agreed with the need to re-explore partial payments with the County Treasurer.

Mayor McMahon noted the various opportunities for citizen's to serve on Boards, Authorities, and Commissions.

Council President Spencer reviewed the Council meeting schedule.

Councilor Reed moved, seconded by Councilor Acosta, to adjourn the regular meeting of Council.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk